

INDUSTRY CIRCULAR

OFFICE OF THE COMMISSIONER OF INTERNAL REVENUE
ALCOHOL AND TOBACCO TAX DIVISION



WASHINGTON 25, D. C.

Industry Circular No. 61-5

February 6, 1961

CLAIMS FOR LOSSES ON IMPORTED DISTILLED SPIRITS

Proprietors of distilled spirits plants,
and others concerned:

Purpose. The purpose of this circular is to call to your attention the provisions of Rev. Proc. 60-23, I.R.B. 1960-43,30, which outlined the method of adjusting records of bottling losses or gains where differences occur between the proof of spirits as determined by a customs gauger and the true proof as determined by a customs chemist, or on final liquidation of an entry.

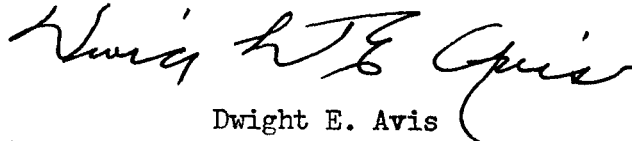
Procedure. A proprietor of a distilled spirits plant should make every effort to obtain the customs chemist's report of true proof promptly, so that the accounting for any lot of spirits may be made within the month in which the spirits were bottled.

A proprietor should enter on Form 2611, Statement of Losses at Bottling Premises, at the time the form is filed the most accurate information available on imported spirits withdrawn from customs custody. Where an entry on Form 2611 is based on a customs gauger's gauge, and where a subsequent customs chemist's determination of proof shows the proof gallons released from customs custody to have been either more or less than the quantity entered on Form 2611, an adjusting entry should be made on Form 2611. The adjustment should be made on the next Form 2611 filed after the customs chemist's report is received, if the form covers a period within the fiscal year in which the spirits were received; otherwise it will be necessary to file an amended Form 2611 and an amended claim for the final claim period of that fiscal year. An amended Form 2733, Monthly Report of Bottling Premises Operations, shall be filed for the month in which the spirits were received. Also, an adjusting entry may be made on the appropriate Form 122, Bottler's Dump and Batch Record, if desired. In any event, the adjustment on Form 2611 should be cross-referenced to the appropriate amended Form 2733, and the amended Form 2733 should be cross-referenced to the appropriate Form 122.

Any change in the quantity of spirits received that arises from final liquidation of an entry should be handled in the manner described in the preceding paragraph.

Where a Form 2611 covers imported spirits on which the customs chemist's report has not been received or on which the entry has not been liquidated by customs, the proprietor is required to state that fact on the form, or in an accompanying statement, to properly identify the spirits, and to give the quantity involved. Also, he must state in the claim that the quantity of such spirits is subject to adjustment pursuant to a customs chemist's report or customs liquidation of the entry. The proprietor must make all adjustments whether they are to his advantage or to his disadvantage.

Inquiries. Inquiries concerning this circular should refer to its number and be addressed to your assistant regional commissioner (alcohol and tobacco tax).

A handwritten signature in cursive script, appearing to read "Dwight E. Avis".

Dwight E. Avis
Director, Alcohol and Tobacco Tax Division